

14 April 1959

MEMORANDUM FOR THE RECORD

SUBJECT: Conversation with [REDACTED] Comptroller's Office, re History of Office of Comptroller 1953-1956.

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1. [REDACTED] said that his office was shorthanded. He had a meeting on the new cost budget next month. He said that he would have something for us by the end of May 1959. He would ask the components of the Comptroller's Office to have summaries read for him by May 15.

2. He said that the history would cover the organizational changes and the changes in budgeting, accounting and reporting procedures. He said that the program for a given fiscal year took <sup>five</sup> ~~six~~ years to complete. The general plan was started ~~three~~ two years before the beginning of the fiscal year and it took two years after the fiscal year to close the accounts. He said that he would describe this cycle for a fiscal year in the period.

3. He said that the planning for fiscal year 1953 began in September 1950. The scope and ~~scope~~ pace paper was ready by Jan. 1951. After this was approved by DCI a call was sent for preliminary <sup>office</sup> estimates which had to be in the Comptroller's Office by June 1951. The DCI established a budget ceiling for estimates. The Comptroller combined the approved office estimates for submission to the Bureau of the Budget in September 1951. The President submitted the estimates to Congress in January 1952. The appropriation had to be made by Congress by June 30, 1952.

4. He said that the difference between the funds available for FY 53 [REDACTED] and the funds obligated [REDACTED] could be explained on the ground that the Agency determined not to carry out the program planned. He also was of the opinion that the Agency was incapable of spending the money at the time. It could not get the people. It did not have the capability of developing projects in time to spend that much money. The plans for the FY 53 were started just after the Korean war broke out. Many requirements were laid on CIA. The plans made were too ambitious. There was a large contingency fund this year [REDACTED] but no releases from this fund were requested by CIA of the Bureau of the Budget. When President Eisenhower requested all agencies to cut back on their funds, CIA transferred [REDACTED] of unobligated funds from the operations appropriation to the contingency fund. As for changes in Agency programs these were largely in the DD/P area and he thought that we should get that information from DD/P.

[REDACTED] The President had an emergency fund which he could spend on his own order. CIA had to ask the Bureau of the Budget to release funds. CIA had to prove that no other resources were available to do the job. In recent years the General Counsel has raised the question whether the Bureau of the Budget has the right to question the propriety of a program. The Director almost went to the President to see if the Bureau of the Budget had this power. The difficulty

was ironed out without an appeal to the President. Apparently  
the Bureau of the Budget questioned some of the operations [REDACTED]  
[REDACTED] for fiscal year 1960.

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